



The President's Daily Brief

July 2, 1974

5

Top Secret

25X1



Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1)(2)(3)
declassified only on approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

July 2, 1974

PRINCIPAL DEVELOPMENTS

President Peron left no obvious heir. His widow will probably stay on while political and military leaders try to agree on a successor. The task will be difficult. (Page 1)

25X1

Ethiopia [redacted]
[redacted]
(Page 3)

25X1

25X1
25X1

[redacted] the Soviets have launched two more D-class ballistic missile submarines. (Page 4)

Prime Minister Tanaka's Liberal Democratic Party is expected to retain its majority in elections for the Upper House of the Diet on July 7, thus ensuring that party's control of the entire Japanese legislative process. (Page 5)

25X1

The Turkish government has lifted the ban on opium poppy cultivation. (Page 6)

Lao Prime Minister Souvanna is considering a plan to dissolve the rightist-dominated National Assembly and convert the coalition government's Joint National Political Council--which now has an advisory role and is chaired by Pathet Lao leader Souphanouvong--into a legislative body. (Page 7)

The outcome of Sunday's election in Iceland indicates a slight swing to the right and suggests that the pro-NATO Independence Party will be asked to form a government. (Page 8)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

ARGENTINA

President Peron died yesterday and left the country without an obvious successor. Peron himself recently remarked that he had no heir apparent, suggesting that he did not expect Mrs. Peron to last very long in the top job.

She may last only as long as it takes political and military leaders to work out a mutually acceptable solution.

25X1

The military, which is still widely unpopular, prefers an orderly constitutional succession. Major political leaders agree. With the Peronist Movement likely to undergo a gradual disintegration, the military will have to play a key role in establishing whatever government eventually evolves.

The stakes are too great for a serious split in the military, however, and the high command probably will stick together.

25X1

One of the first problems may be to persuade Maria Estela de Peron to stay in the job and thus avoid the election that otherwise would be needed. In the past she has expressed reluctance to assume the presidency.

25X1

Appeals to patriotism and her husband's memory will keep her in the job for the immediate future. Jose Lopez Rega, Peron's private secretary and confidant, is probably more interested than anyone else in keeping her in the presidency. He is ambitious, and with Peron gone he needs Maria Estela if he is to achieve a power position.

25X1

Without Peron's hand, confusion within the highest levels of government will grow as leaders like Lopez Rega contend for power.

When Mrs. Peron decides the burdens of state are too much for her, military leaders may try to get her to convoke a council of state representing

FOR THE PRESIDENT ONLY

all political parties except those of the extreme left. If she were to agree to remain as titular head of the council, a national election could be postponed for some time.

If Mrs. Peron steps down, her successor, Senate President Jose Allende, would be required by the constitution at least to set a date for elections within 30 days.

If Allende does become president, the military will probably try to persuade him to put off the actual election date as long as possible. It is unlikely that Allende himself would be a contender, since his Christian Democratic Party is small and he lacks any other political following.

The chances are that the military would favor some sort of coalition ticket. One possibility would be a joining of forces by former provisional president Raul Lastiri, a long-time Peronist, and Radical Party leader Ricardo Balbin, who has been cooperating closely with the Peronist government.

The sudden return of former president Hector Campora to Buenos Aires last week from his post as ambassador to Mexico increases the chance that a leftist coalition might be formed to compete with a more moderate one. This would create turmoil and division, a prospect providing the military with another reason to try to postpone an election until a strong candidate can be agreed on.

Even though all political leaders officially pledged to support Mrs. Peron when she was installed as temporary chief of state on June 29, Peronist factions can be expected to act independently now that Peron is dead.

This is especially true of the leftist youth leaders, who were all but read out of the movement by Peron himself for their disruptive demonstrations and public attacks on his wage and price stabilization policies.

Terrorist groups will also take advantage of the leadership vacuum. The People's Revolutionary Army probably will step up acts of violence, and guerrilla organizations on the fringes of the Peronist movement may become more active.

A general breakdown in order of a magnitude that would force military intervention, however, does not appear likely at this time.

FOR THE PRESIDENT ONLY

ETHIOPIA

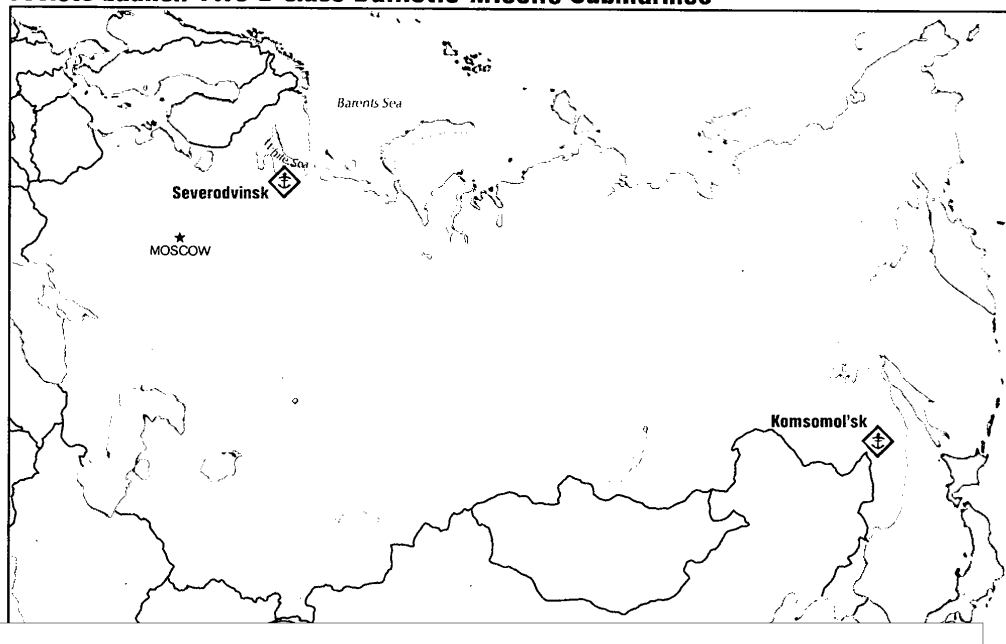
The military continues to round up important members of the aristocracy with a minimum use of force. The president of the Senate, an institution controlled by the landowning elite, reportedly is the latest to have been picked up. Apparently only about 15 persons have actually been detained so far, although numerous others are said to be under house arrest.

Military representatives are still meeting regularly with a four-man ministerial committee appointed by Prime Minister Endalkatchew. This committee could become a channel through which the military exercises increased control over the government without resorting to an outright take-over.

The arrests so far have been limited to the capital area and have provoked no strong reaction.

25X1

Soviets Launch Two D-class Ballistic Missile Submarines



25X1

FOR THE PRESIDENT ONLY

USSR

[redacted] the Soviets have launched two more D-class ballistic missile submarines. One was launched at Severodvinsk on the White Sea and the other at Komsomolsk in the Soviet far east. The latter was the first D-class launched from the shipyard at Komsomolsk; all the others were built at Severodvinsk.

25X1

The USSR has been building D-class submarines since 1970. Ten have now been launched. Seven are either operational or on sea trials; three--including the two just launched--are fitting out. The D-class carries 12 missiles that have a range of 4,200 nautical miles. [redacted]

25X1
25X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

JAPAN

Prime Minister Tanaka's Liberal Democratic Party is expected to retain its majority in the election for the Upper House of the Diet on July 7, thus ensuring that party's control of the entire Japanese legislative process.

The bright prospects of the Liberal Democrats rest mainly on the failure of the opposition parties to cooperate against them. The Communists should come out of the election with further gains, mostly at the expense of the faltering Socialists and Democratic Socialists.

Tanaka stands to be the biggest winner.

25X1

FOR THE PRESIDENT ONLY

TURKEY

The Turkish government yesterday lifted the three-year-old ban on opium poppy cultivation. Cultivation will be permitted in six provinces of western Turkey and in part of a seventh. Prime Minister Ecevit will reportedly make a detailed statement--presumably about acreage plans and security measures--today.

A Turkish government spokesman justified the cabinet's decision by citing the economic conditions of former poppy farmers and the needs of the international pharmaceutical industry. The government promised that an effective control system will be installed to prevent illegal trafficking in opium or poppy cultivation in other than designated areas. Experts in both the US and Turkey, however, doubt that this can be done effectively.

FOR THE PRESIDENT ONLY

LAOS

25X1

Prime Minister Souvanna is weighing a plan to dissolve the moribund rightist-dominated National Assembly and to convert the coalition government's Joint National Political Council, which now has only an advisory role, into a legislative body. These steps would greatly enhance the authority and prestige of the council, which is chaired by Pathet Lao leader Souphanouvong, and weaken the position of the non-Communists.

Since the creation of the coalition government last spring, the Pathet Lao have been determined to shift the National Assembly's legislative functions to the Political Council. After considerable infighting, the Pathet Lao were able to prevent the assembly from reconvening. The non-Communists, however, are not likely to acquiesce in formal abolition of the assembly without some resistance.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTE

Iceland: The outcome of Sunday's election indicates a slight swing to the right and suggests that the pro-NATO Independence Party, which increased its representation from 22 to 25 in the 60-seat parliament, will be asked to form a government. This will probably require lengthy negotiations. The Independents, who strongly favor retaining the US-manned NATO base at Keflavik, will have to enter a coalition with at least one of the other parties. The Progressive Party, which headed the outgoing coalition, is the only non-Communist group with enough seats to give an Independence-led government a majority in parliament. In the past the Progressives have opposed retention to the Keflavik base. They may be persuaded to end this opposition, however, in return for a role in the new government.

SECRET

SECRET

Top Secret